

CLASSIFICATION SECRET

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SUPPLEMENT TO
REPORT NO.

COUNTRY

East Germany

SUBJECT

Planned Introduction of SAG Bookkeeping and
Accounting System into VEBsPLACE
ACQUIRED

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DATE OF
INFO.

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1. In mid-December 1953, the East German Council of Ministers issued a decree on the strength of which the accounting and bookkeeping of the former SAG enterprises is to be investigated by experts of those Ministries under whose authority SAG enterprises were to be placed after the transfer of the SAG's to German ownership. In mid-January 1954, this investigation was started.
2. The purpose of the investigation is not to examine the bookkeeping and accounting of the former SAG's. It is being carried out in accordance with specific directives from the Council of Ministers for the purpose of introducing the system of bookkeeping and accounting practiced in the former SAG's into all VEB enterprises effective 1 January 1955.
3. The decision of the Council of Ministers has caused much concern in the administrative departments of the ministries which supervise nationalized industry, because the present bookkeeping and accounting system has been in use only since 1 January 1953 and has never functioned very well. Introduction of a new system after so short a time is expected to increase the confusion.

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